

Forum

Leadership and Moral Imagination: Beyond the Decision-making Context

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Abstract Moral imagination is often viewed as a necessary condition for ethical leadership on account of its role in managerial decision-making and organizational management. This article argues that an extension of the notion beyond this limited context sheds light on recent reconceptualizations of the nature of business and the relation of business and society proffered by several well-known business leaders. It is suggested that an account of moral imagination which takes into consideration its contribution to the development of a morally deeper and broader perspective and its bearing on character is of particular value for business leaders.

KEYWORDS: Leadership; Moral Imagination; Mental Models; Moral Self-cultivation; Character; Ray Anderson.

Riassunto *Leadership e immaginazione morale: oltre i contesti decisionali* - L'immaginazione morale è spesso considerata una condizione necessaria per una leadership etica in virtù del suo ruolo nei processi decisionali a livello manageriale e nella gestione organizzativa. In questo articolo si sostiene che un'estensione di questa nozione al di là dei limiti di questo contesto sia utile a comprendere alcune recenti riconcettualizzazioni della natura del business e il rapporto tra business e società avanzate proposte da diversi leader d'azienda molto affermati. Si suggerisce che una considerazione dell'immaginazione morale che tenga conto del suo contributo allo sviluppo di una prospettiva morale più profonda e ampia e del suo peso rispetto al carattere possa avere grande importanza per i leader d'azienda.

PAROLE CHIAVE: Leadership; immaginazione morale; Modelli mentali; Educazione del sé morale; Carattere; Ray Anderson.



Introduction

OVER THE COURSE OF THE past several years there has been a spate of books by prominent CEOs and other business leaders trumpeting a new vision of corporate purpose, ostensibly to mitigate what they see as the

damaging (if not completely corrupting) effects of the account of Corporate Social Responsibility championed by Milton Friedman which has it that the only social responsibility of business is to increase shareholder value, within the limits of law and conventional mores.¹

This view has exercised an enormous

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amount of influence on American business's self-representation over the course of the past four decades, and I think it safe to say that it continues to be the prevailing orthodoxy among many free-market economists and business practitioners, as well as the public at large. The account itself, of course, has its roots in views on political economy which predate by some two centuries Friedman's oft-cited 1970 *New York Times Magazine* article in which he spelled out his position, but the above-mentioned authors typically direct their criticisms toward what at least one sees as a hijacking of the classical views designed to justify a myopic vision of the purpose of business that marginalizes the humanitarian value of the free enterprise system.²

Some of the more popular titles in this expanding market are (now deceased) Ray Anderson's *Mid-Course Correction*³ and *Confessions of a Radical Industrialist*,⁴ Jeffrey Hollender's *The Responsibility Revolution*,⁵ and most recently, John Mackey's *Conscious Capitalism*.⁶ Each of these authors – the CEOs, respectively, of Interface Global, Seventh Generation, and Whole Foods Market – makes the case that the purpose of business lies elsewhere than in maximizing shareholder wealth, a view which they find to be essentially *passé-fare* (pun intended). The alternative is a version of stakeholder theory, the now well-established approach that emphasizes the importance of acknowledging and addressing the obligations of business toward all those who affect and are affected by a given business enterprise.⁷

Books such as these, aimed at a general audience, are nothing new; popular manifestos speaking to effective and responsible business leadership by well-known executives have been standard fare for years. Nor is the message particularly new, as management theorists and business ethicists would be inclined to point out. Indeed, as far back as 1951, Standard Oil's board chairman Frank Abrams wrote presciently in a *Harvard Business Review* article that managers had a duty to conduct the affairs of the enterprise to maintain an equitable and workable balance among the claims of the

variously directed interest groups, a harmonious balance among stockholders, employees, customers, and the public at large.⁸

We recognize this, of course, as an early expression of what eventually came to be known as stakeholder theory, although similar sentiments can be found in the business literature even earlier. The notion gained increasing traction in the post WWII years, and by the late 1980s stakeholder theory and the related concept of corporate social responsibility had become particularly influential, primarily in academic circles and among the public in general.⁹

Yet there is something decidedly different about the vision underlying the most recent calls for a reassessment of the purpose of business, a vision which is at once more vibrant and expressed with greater urgency than those of the past. Jeffrey Hollender, for example, writes of a revolutionary and evolutionary transformation involving sweeping change by «wiping away the deeply ingrained way that we've come to narrowly define the purpose of business».¹⁰ We are experiencing a «moment of punctuated, accelerated change [... which ...] will redefine business's obligations to society and reconfigure the sources of growth and competitive advantage», and which will «require us not only to anticipate the end of corporate responsibility as we've known it [he seems to be referring here to Friedman's view], but also to imagine the whole new models that will replace it».¹¹

In a similar vein, John Mackey writes that he has «come to realize that the world urgently needs a richer, more holistic, and more humanistic philosophy and narrative about business than the one we have encountered from economic textbooks, in business school teachings, and even from the mouths and pens of many prominent business leaders».¹² It is clear from such passages that these authors view themselves as the vanguards of a long-needed reimagining of business purpose.

Apart from the fact that the sense of urgency is in part a response to the debacles of

the last decade that cast the corporate world in an increasingly negative light, to what can the overarching vision be attributed? I want to suggest that the view of the purpose of business articulated in these and similar accounts, however divergent in detail, is the result of an exercise of the moral imagination, albeit not in the manner in which the notion is usually conceived in the business ethics and management literature. Current scholarship typically emphasizes the importance of moral imagination for managerial decision-making and organizational problem-solving, with the implication that the habitual exercise of moral imagination by those in positions of leadership will contribute positively to an ethical business culture.¹³

Such a construal, however, ignores a valuable dimension of moral imagination, viz. its capacity for transforming the way in which one views oneself in relation to others and to the world, culminating in a considerable reorientation of values and actions. Through the habitual exercise of the moral imagination, an agent comes to discover reasons for reorienting herself toward ends which are conducive to human well-being and is motivated to act so as to achieve those ends. In so doing, she participates in her own moral self-cultivation.

In the present context, I want to suggest that the accounts of each of the business leaders mentioned above have been influenced in part by such a reorientation, effected through a reflective and imaginative understanding of their practice's goals and its impact on human flourishing. At the end of this article, I will single out one of these authors in particular whose narrative exemplifies this to a greater degree than the others.

Ultimately, I will conclude that business leaders will be well-served by cultivating the exercise of the moral imagination in the manner illustrated by the example.

Imagination, mental models, and decision-making

Let us begin by examining the concept of

the moral imagination in greater detail. While the first appearance in print of the words "moral imagination" has been attributed to Edmund Burke,¹⁴ the notion of an imaginative exercise having a specific moral dimension or revealing morally salient features of experience can be traced to the Scottish sentimentalists, in particular Adam Smith and his account of sympathy (what we would call empathy) and the related conception of the impartial spectator.¹⁵ The capacity to sympathize with the other and imaginatively project ourselves into her experience allows us to step back, as it were, from our involvement in a situation, allowing us to adjudicate the situation in a more detached and impartial fashion than would otherwise be possible.

As Werhane points out, Smith's analysis has served as the basis for a great deal of contemporary work on moral imagination, emphasizing as it does the role of empathy in understanding another's perspective and in making moral decisions.¹⁶ From these early reflections on the nature of moral psychology, the concept of moral imagination has become established currency among scholars in a variety of fields, including developmental and educational psychology, organizational theory, management, leadership studies, and applied ethics, among others.

In contemporary discussions, moral imagination is commonly characterized as a mental activity through which an agent becomes aware of the morally significant features of a particular situation and of how the consequences of a given decision made within that particular context will bear on all those affected.¹⁷ For example, Jonathan Jacobs suggests that moral imagination involves articulating and examining alternatives, weighing them and their probable implications, considering their effects on one's other plans and interests, and considering their possible effects on the interests and feelings of others.¹⁸

Similarly, Mark Johnson characterizes moral imagination as «an ability to imaginatively discern various possibilities for acting within a given situation and to envision the potential

help and harm that are likely to result from a given action».¹⁹ Patricia Werhane's influential account is more elaborate, defining moral imagination as «the ability to discover, evaluate and act upon possibilities not merely determined by a particular circumstance, or limited by a set of operating mental models, or merely framed by a set of rules».²⁰ For Werhane, being morally imaginative involves:

- Self-reflection about oneself and one's situation;
- Disengaging from and becoming aware of one's situation, understanding the mental model or script dominating that situation, and envisioning possible moral conflicts or dilemmas that might arise in that context or as outcomes of the dominating scheme;
- The ability to imagine new possibilities. These possibilities include those that are not context-dependent and that might involve another mental model;
- The ability to evaluate from a moral point of view both the original context and its dominating mental models and the new possibilities one has envisioned.²¹

Exercising the moral imagination, then, includes a metacognitive appraisal of the conceptual framework or "mental model" through which the agent interprets her situation and which serves to guide her initial decision-making process; in acknowledging the potential limitations of the framework, in recognizing that hers is but one of several possible points of view, the agent is better able to disengage from the dominant narrative and to remove the colored glasses, as it were, and to appreciate how the situation appears from a variety of perspectives. In the context of business leadership, «part of the job of moral imagination is to perceive the ethical dimensions of a managerial or corporate situation»,

and to help one «disengage from situational or organizational perspectives and consider viable alternatives based on reasonable moral standards».²² The individual lacking facility in moral imagination is thus particularly vulnerable to failures in moral decision-making.

Werhane's account is based on the largely noncontroversial claim that human experience is shaped to a great extent, if not entirely, by conceptual schemes or frameworks that process and organize the data of experience in complex epistemological ways.²³ There are, of course, many variations on this theme, but a conceptual scheme, whatever else it may be, is a function of our cognitive (and, indeed, our affective and conative) interaction with the world that sets limiting parameters on what may or may not be experienced in a given context. Beliefs, desires, interests, values, expectations, emotions, all serve to produce a particular representation of the world.²⁴ Cases run the gamut from visual and other sense perceptions to high-level conceptual constructions such as scientific theories and religious worldviews. Conceptual schemes can be nested or overlapping, and they are fluid, as new information and experiences may contribute to their refinement or rejection. As is often the case, however, they can become so ingrained that they are taken to be the definitive account, the default setting for making sense of a particular situation or experience, or of a wider, more general context.²⁵

It is precisely the conflation of the picture produced by a conceptual scheme with a presumed objective reality or state of affairs that can set the stage for moral myopia both in the decision-making and wider context. When a conceptual framework becomes an ossified framing lens, important data and other considerations (and thus alternative perspectives), are inevitably left out of the picture, resulting in behavior that follows a narrow pre-determined script and which ultimately compromises moral sensitivity and decision-making. Werhane has shown how such an account sheds light on well-known examples in the organizational context such as the

Ford Pinto case, the Challenger disaster, and others.²⁶ The common denominator among these and similar cases is the fact that the individuals involved – those whose decisions made all the difference with respect to the outcomes – were unable to step out of their “mindset” in order to evaluate its shortcomings and consider other frames of reference which would reveal additional options. The missing ingredient, as Werhane puts it, was moral imagination.

Beyond the decision-making context: Of systems and stakeholders

Note that the emphasis thus far has been on an individual’s imaginatively envisioning alternative solutions to possible moral conflicts arising in a specific situation. Indeed, as I pointed out earlier, most contemporary research on moral imagination has implicitly or explicitly emphasized its role in generating individual moral judgments in the immediate decision-making environment.

While the benefits of this account are evident – it provides managers or anyone else involved in organizational decision-making with a procedure for developing an ability that can in turn become habitual with practice – I want to suggest that there is an element of the moral imagination that is of greater significance than its role in decision-making. Leaders, of course, do a great deal more than adjudicate courses of action and make decisions; they create visions, establish workplace cultures, help others achieve, and transform themselves (and possibly much else besides) in the process; moral imagination has a part to play in these and other important dimensions of the practice of leadership as well. As the leadership scholar Joanne Ciulla has noted:

Part of a leader’s job is to help others imagine morally better ways of living and doing things [... without ...] moral imagination, leaders cannot create visions, understand their moral obligation to others, or

implement their beliefs and values in the ways that they lead and in the initiatives that they take for change and transformation.²⁷

If this is the case (and I think that it is), then an extension of the concept of moral imagination beyond the decision-making environment has important implications for the practice of leadership.

In more recent work Werhane has noted the limitations of her original account, acknowledging that moral imagination is not only a function of the individual, but operates at both an organizational and systemic level as well.²⁸ On this view, moral imagination can contribute to a reconception of prevailing systems or institutions which themselves have incurred moral responsibility through no single individual’s actions (a particular political economy, for example). Drawing on the “systems thinking” approach to problem solving that emphasizes the interconnectedness among the elements of any system, Werhane argues that moral problems can arise in the systemic context for which no one individual is responsible and for which accounts of moral imagination focusing on individual decision-making are of limited value. Because organizations and institutions themselves can incur moral responsibility in virtue of their purposes, goals, structure, and interrelationships with other systems and sub-systems, an extension of moral imagination at the systemic level is necessary for identifying and addressing moral problems generated at that level.²⁹

Such an extension of the concept of moral imagination naturally lends itself quite well to stakeholder analysis, albeit one which acknowledges the interdependency of all those who affect and are affected by an organization. As Werhane has pointed out, whereas classic stakeholder theory emphasizes dyadic relations between an organization and each stakeholder constituency, a systemic analysis will include many configurations and lines of accountability.³⁰ Such a stakeholder network model removes the organization from the cen-

ter of the relationship map, a move which more accurately represents the complex nature of contemporary commercial interaction. It also serves to check the tendency to ascribe too much in the way of individual and organizational obligations. In this way, the model is meant to capture the diffusion of responsibilities among the system's constituents. Surely, I bear some degree of responsibility, however indirect, for the poor treatment of sweatshop workers by purchasing goods from a company for which workplace conditions are of little concern; likewise, a supplier is complicit in environmental degradation by providing raw materials to a company that is careless in its disposal of toxic chemicals. This does not necessarily lessen a company's obligations, but it indicates the extent to which all constituents have a role to play in the solution of problems endemic to the system – or, indeed, in rejecting the mindset which keeps the system in place.

The business leaders mentioned earlier each seem to have in mind a version of this account in their call for a new way of understanding the purpose of business. Indeed, the language of systems thinking is found throughout Whole Foods CEO John Mackey's argument. For Mackey,

If a business seeks only to maximize profits to ensure shareholder value and does not attend to the health of the entire system, short term profits may indeed result [...] However, neglecting or abusing the other constituencies in the interdependent system will eventually create negative feedback loops that will [...] result in suboptimization of the entire system.³¹

And

If business leaders become more aware that their business is not a machine but part of a complex, interdependent evolving system with multiple constituencies, they will see that profit is one of the important purposes, but not the sole purpose.

They will also begin to see that the best way to maximize long-term profits is to create value for the entire interdependent business system.³²

The notion that the primary purpose of business lies in «creating value for the entire interdependent business system» requires a more conscious effort to disengage from the mental model which has shaped the standard conception of business, i.e., that which places creating shareholder value above any other consideration. This is not particularly surprising, as any framework which has been accepted as the default setting is not going to be readily called into question and replaced; and yet, this is precisely where the moral imagination is required. The resulting perspectives are of course themselves mental models – what sort of perspective would not be? – but they are recognized as being of greater moral breadth and depth than those they would supersede.

What, then, is involved in creating value for the entire interdependent economic system, according to Mackie? We shouldn't be surprised to find a host of concepts that have become common currency among business ethicists and management theorists – indeed, as intimated earlier, Mackie's argument is essentially a version of stakeholder theory with elements of Virtue and Care Ethics included (as well as a dose of enlightened self-interest) so as to make the message palatable (and, I suppose, the book marketable) to a public that is likely to have little interest in the details of organizational management and ethical theory. Among the necessary conditions for a conscious business are (1) a compelling purpose that unifies the enterprise and increases its ethical commitments; (2) leadership that models the purpose; (3) commitment to increasing value for all stakeholders; (4) the company viewed as community; (5) the empowerment of employees in a way that fosters enthusiasm, commitment, and personal growth; (6) the exercise of virtues such as integrity, loyalty, trust, love, and care.³³

At bottom is simply the need, as Freeman

puts it, to «automatically think about what is owed to customers, suppliers, employers, financiers and communities, in virtue of their stake, and in virtue of their basic humanity».³⁴ In so doing, «we can get about the business of creating better selves and better communities».³⁵ The relevance of moral imagination to this important point will be addressed in the next section.

I have been suggesting that the concept of moral imagination is helpful in thinking about the changing conceptions of business proffered by those who view themselves as the vanguard of such change. While some will remain skeptical (perhaps finding some of the aims of Mackie's *Conscious Capitalism* naïve or idealistic), and while the author's rhetorical flourishes might have been tempered with careful argument, I think it fair to say that the vision is a representative example of the exercise of moral imagination at the organizational and systemic level. It depends on an understanding and evaluation of the mental models that have long been taken for granted as the way to think about capitalism as a political economy and its implications for the relation between business and society, an effort to imaginatively consider alternative ways of conceiving this relation (ways which acknowledge the complex network of interrelations among all constituents of the free enterprise system), and on the strategic implementation of practices and procedures consistent with this vision. Arguably, this is a welcome development; business ethicists and management theorists who have long provided the theoretical underpinnings for such alternatives should be grateful that these views are increasingly being championed by business leaders themselves in the public square.

Moral imagination and self-cultivation

There is an additional point to be addressed, and that is the important connection between the adoption of a morally broader and deeper perspective and its effect on an individual; lives often change dramati-

cally as a result of a new way of conceiving one's relations with others and the world, especially when those others are acknowledged as living, breathing, human beings with aspirations of their own. I do not mean this in the sense of a Kantian recognition of autonomy, which is a rather abstract notion, a formal acquiescence to others' interests in virtue of their humanity. Rather, moral imagination places us squarely in the world of the feelings, emotions, and desires of those toward whom it is directed.³⁶ In so doing, it moves us in ways which have a direct bearing on the type of person we should like to be. Moral imagination, in other words, forces us to reflect carefully on both ourselves and the ends we take to be worth pursuing; if exercised authentically, both may well stand in need of transformation.

And this brings me back to the claims I made earlier that moral imagination, while a necessary condition for moral decision-making and for the taking of a broader perspective in the systemic context, also plays a significant role in an individual's moral self-cultivation. I take this to be a process consisting in a reorientation of values toward ends and actions which are conducive to human flourishing. This point, although not generally emphasized, is not entirely absent from the literature on moral imagination.

Business ethicists Dennis Moberg and Mark Seabright, for example, highlight the role played by "possible moral selves" which are individuals' notions of who they could be as moral persons.³⁷ In this connection, moral imagination serves to produce a certain picture of one's ideal self, which in turn creates intentions and nudges one toward its realization. In practice this is likely to mean identifying and acting on second-order desires that the agent recognizes as conducive to this newly conceived self, and avoiding acting on competing desires. Because moral cultivation cannot occur in isolation from others, the development of empathy is an important part of this process, as it serves to expand the moral horizons of the individual beyond narrow self-serving desires and actions. Initial patterns of

behavior resulting from deeper reflection, empathic development, and reorientation of desires eventually become the habitual dispositions characteristic of the future moral self as envisioned. The result is essentially a transformation of character.

Mark Johnson notes that through the cultivation of moral imagination, «we will reflect and act differently, because we see the importance of moral perception and discernment, of imaginatively taking up the part of others, and of envisioning alternative possibilities for composing situations in ways that contribute to human flourishing»,³⁸ to which one might add «and to our own growth as moral agents». Through the exercise of the moral imagination, we come to recognize the limits we have placed on our convictions and commitments, and to appreciate how they – and, in turn, we ourselves – might be transformed. Such a reorientation holds important implications for business leadership, as we will see in the following section.

■ An illustration: Ray Anderson and the interface story

In light of the above account, it is worth considering an example that illustrates the themes that have been addressed throughout. Ray C. Anderson, the deceased founder and CEO of Interface Global, Inc., established his company in 1973 and grew it to be the world's leading carpet tile manufacturer, with over one billion dollars in annual sales by the early 1990's. His personal transformation from "radical industrialist" to champion of sustainable business practices has been well-documented in a number of publications. Through two decades of Interface's remarkable growth, as Anderson tells it:

It didn't bother me a bit that Interface consumed enough energy each year to light and heat a city. Or that we and our suppliers transformed more than a billion pounds of petroleum-derived raw materials into carpet tiles for offices and hospi-

tals, airports and hotels, schools, universities, and stores all around the world. So what, if each day just one of my plants sent six tons of carpet trimmings to the landfill? What happened to it there? I had no idea. It was someone else's problem, not mine [...] In fact, our belching smokestacks, our gushing effluent pipes, our mountains of waste (all completely legal), were tangible proof that business was good. They meant jobs. They meant orders coming in, products going out, and money in the bank.³⁹

One might say that while his business was indeed booming, any semblance of moral sensitivity on Anderson's part concerning its environmental impact was all but non-existent.

In 1994, Anderson received a memo from a sales associate indicating that some customers had been inquiring about Interface's environmental policies. An environmental task force was convened, and Anderson was asked by one of his associates to share his environmental vision in a speech to launch the task force. «The trouble was», Anderson said:

I did not have an environmental vision [...] I had never given a thought to what I or my company was taking from the earth, or doing to it.⁴⁰

The only realistic response, for Anderson, was something to the effect that Interface was compliant with government regulations – knowing that this could hardly be considered an environmental vision of any substance. In the weeks leading up to his speech, Anderson came across Paul Hawken's *Ecology of Commerce*, in which the environmentalist and entrepreneur argued that most of the world's most significant environmental problems were due in large part to the short-sighted practices of business and industry.

The effect on Anderson was, as he tells it, like that of «a spear in the chest»; it was «an epiphany, a rude awakening, an eye-opening experience».⁴¹ He stood indicted as «a plun-

derer, a destroyer of the earth, a thief, stealing my own grandchildren's future»,⁴² wondering about his legacy were he to carry on with business as usual. Hawken went on to argue that while that business and industry was the primary agent of environmental degradation, it was also the institution pervasive and powerful enough to do something about it, starting with a reevaluation of its purposes. Anderson found the argument compelling enough:

It was a vision that transcended compliance. It would be so much more than just a call to arms. It was a call to lead and a call to hope, loud and clear and powerful enough to energize a corporation and, with any luck, start a chain reaction through industry – not just ours, all of industry. A vision certainly big enough to give me a new purpose in life.⁴³

Anderson's self-described "epiphany" thus served as the trigger for an attunement to the moral dimensions of his enterprise that led to both a reorientation of his attitude to the ends of business, and to a transformation of his company's practices aligned with the new vision.

In the wake of Anderson's experience he and top management initiated a long-term plan to reduce waste and emissions, increase the use of renewable energy, implement closed-loop recycling, utilize resource-efficient transportation, and create employee "buy-in." This new business strategy – one that «connected profitability and the environment with a notion called doing well by doing good»⁴⁴ – resulted, over the course of the next twenty-three years, in a number of impressive achievements: reduction of net greenhouse emissions by seventy-one percent in absolute tons, sales increases of sixty percent, increase of renewable energy use from zero to twenty-eight percent, and reduction of water intake per production unit by seventy-two percent, among others.⁴⁵ Whether or not Interface's goal of one-hundred percent sustainability will be achieved by 2020 remains to be seen. But

regardless of the outcome, the story is a compelling account of one business leader's moral transformation and reorientation toward a deeper understanding of the responsibilities of business leadership.

It is easy to dismiss the Anderson narrative as an entertaining and inspirational leadership account of little actual substance. After all, Anderson was no scholar, and was unapologetic about his competitive spirit and motivation for increased profit, not to mention that slogans such as "doing good by doing well" are hardly the product of serious moral reflection. Nevertheless, assuming Anderson's sincerity, his transformation and intentional effort to address the environmental impact of his business is a representative case of leadership guided by moral imagination.

First, a narrowly conceived view of the purpose of business ("money in the bank") and of his responsibilities as a business leader (waste was "somebody else's problem") was called into question by an account leading him to consider the implications of that mindset ("stealing my grandchildren's own future"); this resulted in a deepening sensitivity (concern for future generations, ecosystems, and Earth as a whole) and reflection on his self-concept ("what will my legacy be?"), which was found lacking. The end result was the adoption of an alternative mindset and an implementation of practices which, while costly and highly unlikely to have been contemplated prior to his epiphany, became a natural extension of Anderson's newly conceived view of himself and his role as business leader.⁴⁶ Once the alternative conception of business and its attendant practices became integrated into Interface's mission and day-to-day operations, they became second-nature for the company in the manner that the exercise of the virtues results in a second-nature for the individual.

To sum up, an initial moral insensibility was shaken up by a personal experience which forced the reevaluation of an ingrained mindset. Anderson then chose to be motivated to achieve ends that he came to accept

as more conducive to the purpose of business as revealed by the adoption of a morally broader and deeper conceptual framework; and in so doing had a hand in his own moral growth while simultaneously transforming his company into what many have considered a model “virtuous corporation”.

While it may well be that for every Ray Anderson there are any number of business leaders who show little concern for the impact of their practice on human flourishing, the Anderson story should serve as a testament to leadership informed by the exercise of the moral imagination and its bearing on excellence of character.

Notes

¹ M. FRIEDMAN, *The Social Responsibility of Business is to Increase Profits*, in: «The New York Times Magazine», The New York Times Co., New York 1970. Friedman had previously articulated a more detailed account of his views in M. FRIEDMAN, *Capitalism and Freedom*, University of Chicago Press, Chicago 1962.

² J. MACKEY, R. SISODIA, *Conscious Capitalism*:

³ R.C. ANDERSON, *Mid-Course Correction: Toward a Sustainable Enterprise: The Interface Model*, Chelsea Green Publishing Co., White River Junction (VT) 1998.

⁴ R.C. ANDERSON, R. WHITE, *Confessions of a Radical Industrialist*, St. Martin's Press, New York 2009.

⁵ J. HOLLENDER, *The Responsibility Revolution: How the Next Generation of Businesses will Win*, Jossey-Bass, San Francisco 2010.

⁶ J. MACKEY, R. SISODIA, *Conscious Capitalism*, cit.

⁷ The *locus classicus* of stakeholder theory is R. EDWARD FREEMAN, *Strategic Management: A Stakeholder Approach*, Pitman, Boston 1984.

⁸ W.C. FREDERICK, *Corporation, Be Good! The Story of Corporate Social Responsibility*, Dog Ear Publishing, Indianapolis (IN) 2006, p. 7.

⁹ Business leaders and free-market economists sharing Friedman's sentiments, of course, maintained a strong skepticism, if not fervent opposition. For a comprehensive history of the notion of corporate responsibility in the United States, see A. CAROLL, K. GOODPASTER, K. LIPARTITO, J. POST, P. WERHANE (eds.), *Corporate Responsibility: The American Experience*, Cambridge University Press, New York 2012.

¹⁰ J. HOLLENDER, *The Responsibility Revolution*, cit., p. xvii.

¹¹ *Ivi*, p. 13.

¹² J. MACKEY, R. SISODIA, *Conscious Capitalism*, cit., pp. 7-8.

¹³ See, for example, J. MCVEA, *A Field Study of Entrepreneurial Decision-Making and Moral Imagination*, in: «Journal of Business Venturing», vol. XXIV, n. 5, 2009, pp. 491-504; D. MOBERG, D. CALDWELL, *An Exploratory Investigation of the Effect of Ethical Culture in Activating Moral Imagination*, in: «Journal of Business Ethics», vol. LXXIII, n. 2, 2007, pp. 193-204; D. VIDAVER-COHEN, *Moral Imagination in Organizational Problem Solving: An Institutional Perspective*, in: «Business Ethics Quarterly», Special Issue n. 1, 1998, pp. 123-147; P.H. WERHANE, *Moral Imagination and Management Decision Making*, Oxford University Press, New York 1999.

¹⁴ R. KIRK, *The Moral Imagination*, in: «Literature and Belief», vol. I, n. 1, 1981, pp. 37-49, here p. 37.

¹⁵ P.H. WERHANE, *Moral Imagination and Management Decision Making*, cit., pp. 93-96.

¹⁶ *Ivi*, p. 96.

¹⁷ Contemporary accounts appear to have taken their cue from the moral psychologist James Rest, who, while not using the words “moral imagination”, describes the first component (moral sensitivity) of his four-component model of moral development in precisely this fashion. Component one thus involves «imagining what courses of action are possible and tracing the consequences of action in terms of how each action would affect the welfare of each party involved» (J. REST, *Moral Development: Advances in Research and Theory*, Praeger, New York 1986, p. 5).

¹⁸ J. JACOBS, *Moral Imagination, Objectivity, and Practical Wisdom*, in: «International Philosophical Quarterly», vol. XXXI, n. 1, 1991, pp. 23-37, here p. 25.

¹⁹ M. JOHNSON, *Moral Imagination*, University of Chicago Press, Chicago 1993, p. 202. Johnson, however, does note that «ideally, moral imagination would provide the means for understanding (of self, others, institutions, cultures), for reflective criticism, and for modest transformation, which together are the basis for moral growth» (*ivi*, p. 187). This important point is addressed later in this article.

²⁰ P.H. WERHANE, *Moral Imagination and Management Decision Making*, cit., p. 93.

²¹ *Ivi*, p. 34.

²² *Ivi*, p. 102.

²³ In this connection, the account is informed by a neo-Kantian constructivism.

²⁴ P.H. WERHANE, *Moral Imagination and Management Decision Making*, cit., p. 49.

²⁵ For a discussion of conceptual schemes and the related notion of mental models, see *ivi*, pp. 50-62.

²⁶ *Ivi*, pp. 47-62.

²⁷ J.B. CIULLA, *Moral Imagination*, in: G. GOETHALS, G.J. SORENSON, J. MACGREGOR BURNS (eds.), *Encyclopedia of Leadership*, Sage Publications, Thousand Oaks (CA) 2004, pp. 1020-1023, here p. 1021.

²⁸ P.H. WERHANE, *Moral Imagination and Systems Thinking*, in: «Journal of Business Ethics», vol. XXXVIII, n. 1-2, 2002, pp. 33-42; P.H. WERHANE, *Mental Models, Moral Imagination and System Thinking in the Age of Globalization*, in: «Journal of Business Ethics», vol. LXXVIII, n. 3, 2008, pp. 463-474.

²⁹ P.H. WERHANE, *Moral Imagination and Systems Thinking*, cit., p. 35.

³⁰ *Ivi*, p. 37; P.H. WERHANE, *Mental Models, Moral Imagination and System Thinking in the Age of Globalization*, cit., p. 468.

³¹ J. MACKEY, R. SISODIA, *Conscious Capitalism*, cit., p. 52.

³² *Ivi*, p. 53.

HARTMAN, J. DESJARDINS (eds.), *Business Ethics: Decision-Making for Personal Integrity & Social Responsibility*, McGraw-Hill, Columbus (OH) 2010, II ed., pp. 73-85, here p. 82.

³⁵ *Ivi*, p. 83.

³⁶ J. JACOBS, *Moral Imagination, Objectivity, and Practical Wisdom*, cit., p. 27.

³⁷ D. MOBERG, M. SEABRIGHT, *The Development of Moral Imagination*, in: «Business Ethics Quarterly», vol. X, n. 4, 2000, pp. 845-884, here p. 868.

³⁸ M. JOHNSON, *Moral Imagination*, cit., p. 215.

³⁹ R.C. ANDERSON, R. WHITE, *Confessions of a Radical Industrialist*, cit., p. 9.

⁴⁰ *Ivi*, p. 10.

⁴¹ *Ivi*, p. 13.

⁴² *Ivi*, p. 14.

⁴³ *Ivi*, p. 15.

⁴⁴ *Ivi*, p. 246.

⁴⁵ *Ivi*, pp. 246-247.

⁴⁶ It will have occurred to the reader that the example in this section suggests the centrality of novel narrative possibilities and the extent to which moral imagination contributes to their manifestation in practice, such that new goals, motivations, and habits take the place of those found wanting. While there is much to be said with regard to how narrative specifically functions in this regard, this is a topic for another paper.

³³ *Ivi*, pp. 32-34.

³⁴ R.E. FREEMAN, *Managing for Stakeholders*, in: L.